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REPORT

WKB VOLUNTEER FIRE COMPANY

DECEMBER 31, 1999 AND 1998

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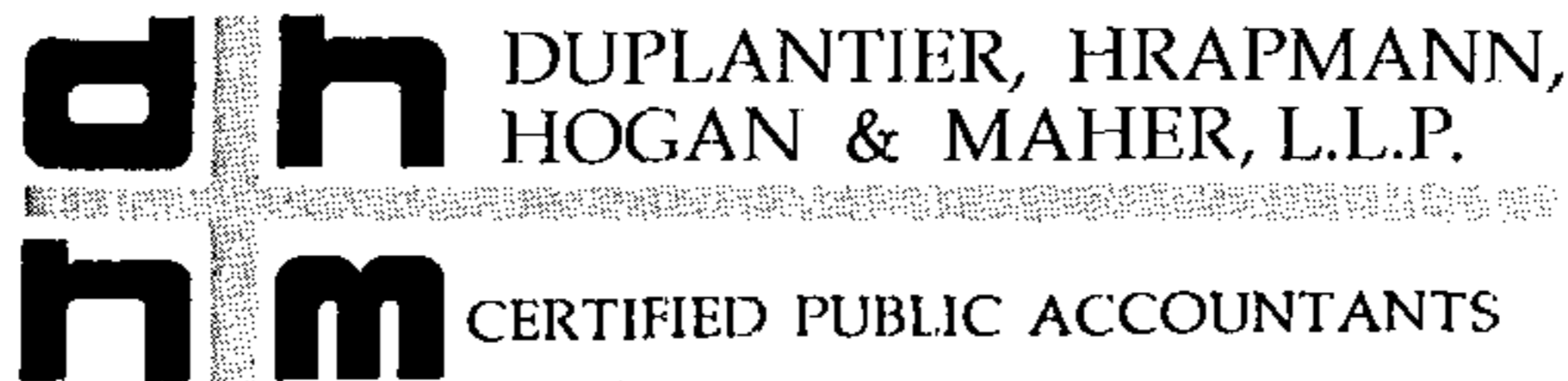
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WKB VOLUNTEER FIRE COMPANY

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AMERICAN INSTITUTE OF
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INDEPENDENT AUDITOR'S REPORT

February 22, 2000

Board of Directors
WKB Volunteer Fire Company
4040 Highway 90 West
Avondale, LA 70094

We have audited the accompanying statements of financial position of WKB Volunteer Fire Company (a Louisiana nonprofit corporation) as of December 31, 1999 and 1998, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of WKB Volunteer Fire Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WKB Volunteer Fire Company as of December 31, 1999 and 1998, and its changes in net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2000 on our consideration of the WKB Volunteer Fire Company's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Duplantier, Hrapmann, Hogan & Maher LLP

WKB VOLUNTEER FIRE COMPANY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 1999 AND 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
CURRENT ASSETS:		
Cash in banks (Note 1)	\$ 33,350	\$ 10,147
Cash in savings accounts (Note 1)	10,916	710
Cash - restricted (Note 6)	5,940	6,460
Petty cash (Note 1)	400	700
Employee advances	--	770
Total current assets	<u>50,606</u>	<u>18,787</u>
PROPERTY AND EQUIPMENT: (Note 1)		
Equipment	264,588	264,588
Automobiles	48,167	48,167
Capital improvements	62,760	61,010
Furniture and fixtures	16,262	15,032
Total	<u>391,777</u>	<u>388,797</u>
Less: accumulated depreciation	<u>277,649</u>	<u>245,165</u>
Net property and equipment	<u>114,128</u>	<u>143,632</u>
TOTAL ASSETS	<u>\$ 164,734</u>	<u>\$ 162,419</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 16,758	\$ 5,576
Amount held in escrow (Note 6)	5,940	6,460
Garnishments payable	2,464	1,773
Capital leases payable (Note 4)	2,935	7,696
Note payable (Note 3)	5,323	4,824
Total current liabilities	<u>33,420</u>	<u>26,329</u>
LONG TERM LIABILITIES:		
Capital leases payable (Note 4)	--	2,935
Note payable (Note 3)	7,923	13,246
Total long-term liabilities	<u>7,923</u>	<u>16,181</u>
Total liabilities	<u>41,343</u>	<u>42,510</u>
NET ASSETS:		
Unrestricted	123,391	119,909
Total net assets	<u>123,391</u>	<u>119,909</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 164,734</u>	<u>\$ 162,419</u>

See accompanying notes.

WKB VOLUNTEER FIRE COMPANY
 STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
UNRESTRICTED NET ASSETS:		
Revenues: (Note 1)		
Jefferson Parish contract	\$ 388,800	\$ 360,000
Jefferson Parish monthly subsidy	9,000	9,000
Jefferson Parish quarterly subsidy	4,000	4,000
Jefferson Parish insurance rebate	8,097	7,835
Miscellaneous revenue	7,811	5,157
Total revenue	<u>417,708</u>	<u>385,992</u>
EXPENSES:		
Firefighting (Pages 4 and 5)	331,524	340,656
Support services:		
Administrative and general (Pages 4 and 5)	<u>82,702</u>	<u>74,519</u>
Total expenses	<u>414,226</u>	<u>415,175</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	3,482	(29,183)
Net assets - beginning of year	<u>119,909</u>	<u>149,092</u>
NET ASSETS - END OF YEAR	<u>\$ 123,391</u>	<u>\$ 119,909</u>

See accompanying notes.

WKB VOLUNTEER FIRE COMPANY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>FIREFIGHTING</u>	<u>ADMINISTRATIVE AND GENERAL</u>	<u>TOTAL</u>
EXPENSES: (Note 1)			
Auto fuel and oil	\$ 5,106	\$ 1,399	\$ 6,505
Auto repairs and upkeep	1,886	517	2,403
Bank charges	--	972	972
Bunker gear	2,975	--	2,975
Conventions	2,636	--	2,636
Depreciation	25,500	6,984	32,484
Drinks and snacks	1,558	--	1,558
Dues and fees	437	--	437
Engine 768	329	--	329
Equipment	867	--	867
Flowers and gifts	487	--	487
General maintenance	2,588	--	2,588
Insurance contract	18,928	--	18,928
Insurance employees	14,771	4,045	18,816
Insurance workers' compensation	15,859	4,344	20,203
Interest expense	--	3,040	3,040
Ladder test	--	--	--
Licenses and taxes	--	219	219
Meals	1,734	--	1,734
Miscellaneous expense	4,840	1,325	6,165
Office supplies	--	1,644	1,644
Outside labor	846	--	846
Payroll service	--	1,289	1,289
Payroll taxes	14,255	3,904	18,159
Postage and meter	1,050	287	1,337
Printing	3,557	--	3,557
Professional services	6,433	1,762	8,195
Repairs - equipment	2,289	--	2,289
Repairs - radio	3,786	--	3,786
Rescue 769	467	--	467
Salaries	176,764	48,413	225,177
Station supplies	5,560	--	5,560
Telephone	1,784	489	2,273
Training and supplies	4,513	--	4,513
Training awards	668	--	668
Travel	--	--	--
Uniforms	1,495	--	1,495
Utilities	7,556	2,069	9,625
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENSES	<u>\$ 331,524</u>	<u>\$ 82,702</u>	<u>\$ 414,226</u>

See accompanying notes.

WKB VOLUNTEER FIRE COMPANY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>FIREFIGHTING</u>	<u>ADMINISTRATIVE AND GENERAL</u>	<u>TOTAL</u>
EXPENSES: (Note 1)			
Auto fuel and oil	\$ 5,074	\$ 1,096	\$ 6,170
Auto repairs and upkeep	1,818	393	2,211
Bank charges	--	1,149	1,149
Bunker gear	1,585	--	1,585
Conventions	5,915	--	5,915
Depreciation	25,253	5,454	30,707
Drinks and snacks	3,423	--	3,423
Dues and fees	713	--	713
Engine 768	12	--	12
Equipment	176	--	176
Flowers and gifts	1,080	--	1,080
General maintenance	5,916	--	5,916
Insurance contract	15,458	3,338	18,796
Insurance employees	12,337	1,038	13,375
Insurance workers' compensation	16,958	3,662	20,620
Interest expense	--	4,506	4,506
Ladder test	154	--	154
Licenses and taxes	--	--	--
Meals	1,361	--	1,361
Miscellaneous expense	7,302	1,577	8,879
Office supplies	--	4,495	4,495
Outside labor	1,163	--	1,163
Payroll service	--	815	815
Payroll taxes	15,116	3,264	18,380
Postage and meter	1,630	352	1,982
Printing	403	--	403
Professional services	9,370	2,023	11,393
Repairs - equipment	2,547	--	2,547
Repairs - radio	3,812	--	3,812
Rescue 769	116	--	116
Salaries	174,487	37,681	212,168
Station supplies	7,874	--	7,874
Telephone	2,612	564	3,176
Training and supplies	1,535	--	1,535
Travel	--	1,302	1,302
Uniforms	7,073	--	7,073
Utilities	8,383	1,810	10,193
TOTAL EXPENSES	<u>\$ 340,656</u>	<u>\$ 74,519</u>	<u>\$ 415,175</u>

See accompanying notes.

WKB VOLUNTEER FIRE COMPANY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 3,482	\$ (29,183)
Adjustments to reconcile increase (decrease) in net assets to cash provided by operating activities:		
Depreciation	32,484	30,707
(Increase) decrease in employee advances	770	(770)
Increase (decrease) in accounts payable	11,182	(937)
Increase in garnishment payable	691	260
Net cash provided by operating activities	<u>48,609</u>	<u>77</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of automobile	--	(24,062)
Purchase of capital improvements	(1,750)	(1,785)
Purchase of equipment	--	(4,437)
Purchase of furniture and fixtures	(1,230)	(1,956)
Net cash used in investing activities	<u>(2,980)</u>	<u>(32,240)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from note payable	--	21,062
Principal payments on note payable	(4,824)	(4,659)
Principal payments on capital leases	(7,696)	(8,279)
Net cash provided (used) in financing activities	<u>(12,520)</u>	<u>8,124</u>
NET INCREASE (DECREASE) IN CASH	33,109	(24,039)
Cash and cash equivalents at beginning of year	<u>11,557</u>	<u>35,596</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 44,666</u>	<u>\$ 11,557</u>

See accompanying notes.

WKB VOLUNTEER FIRE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

ORGANIZATION:

The fire company was organized as a nonprofit corporation in September of 1981 to provide the citizens in the Seventh Fire Protection District with fire protection and related services. The department is under a month-to-month contract with Jefferson Parish. The majority of the fire company's revenue is derived from this contract. The department also responds to emergencies consisting of floods, hurricanes, etc. The company consists of one fire station.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the fire company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basis of Accounting and Presentation:

The fire company's policy is to prepare its financial statements on the accrual basis of accounting. Under that basis, revenues are recognized when earned and expenses are recognized when incurred.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the fire company is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the fire company is required to present a statement of cash flows. As of December 31, 1999 and 1998, the fire company had only unrestricted net assets.

The statement of activities presents expenses of the fire company's operations functionally between program services for firefighting and administrative and general. Those expenses which cannot be functionally categorized are allocated among functions based upon management's estimate of usage applicable to conducting those functions.

Promises To Give:

Gifts are recognized when the donor makes a promise to give to the fire company that is, in substance, unconditional. Gifts that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the gifts are recognized. All other donor-restricted gifts are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

WKB VOLUNTEER FIRE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Sources Of Revenue:

WKB Volunteer Fire Company is one of five contractual fire companies of the Seventh Fire District, Parish of Jefferson. The Seventh Fire District of the Parish of Jefferson levies an ad valorem tax on assessed property of the district. The sum of this collection is equally divided between the five contractual volunteer fire companies of the district on a monthly pro-rata basis. The monthly allocation to each fire company was \$32,400 and \$30,000 which amounted to \$388,800 and \$360,000 for 1999 and 1998, respectively.

In addition the Parish of Jefferson provides a direct subsidy of \$750 per month per active station and a quarterly subsidy of \$1,000 per station. WKB Volunteer Fire Company presently has one station. This direct subsidy amounts to a total of \$13,000 for each year ended December 31, 1999 and 1998.

The fire company also participates in a fire insurance tax rebate program with Jefferson Parish. Jefferson Parish receives a rebate on the State of Louisiana's two percent (2%) fire insurance tax collected by the Commissioner of Insurance. The State of Louisiana determines the amount to be received by each fire district based on total population served. WKB Fire Company shares equally in the amount received by the Seventh District with each of the other four fire companies. The insurance rebate received during 1999 and 1998 amounted to \$8,097 and \$7,835, respectively.

Property and Equipment:

Property and equipment consists of equipment, automobiles, capital improvements and furniture and fixtures which are all carried at historical cost. All assets are being depreciated over their estimated useful lives of seven years for furniture and fixtures and five years for equipment and the automobiles. Furniture and fixtures includes property obtained under a capital lease in the amount of \$26,695 (see Note 4). Automobiles also includes property acquired under a security agreement in the amount of \$21,602 (see Note 3). Capital improvements to land in the amount of \$62,760 were capitalized and are being depreciated over the estimated useful life of 15 years. The fire company does not own the land, but is entitled to use of the land under the month to month contract with Jefferson Parish. If the contract with Jefferson Parish is terminated, the net book value of capital improvements would be expensed in the year of termination. Depreciation expense for 1999 and 1998 was \$32,484 and \$30,707, respectively.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the fire company has defined cash and cash equivalents as all items on the statement of financial position identified as cash in banks, savings accounts and petty cash. Amounts bearing donor imposed restrictions (see Note 6) are not considered "cash" for purposes of the statement of cash flows.

WKB VOLUNTEER FIRE COMPANY
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Supplemental Disclosures of Cash Flow Information:

Cash paid during 1999 and 1998 are as follows:

	<u>1999</u>	<u>1998</u>
Interest	\$ 3,040	\$ 4,506
Taxes	--	--

Noncash Investing and Financing Activities:

	<u>1999</u>	<u>1998</u>
Acquisition of automobile through security agreement (Note 4)	\$ --	\$21,062

Donated Services:

Amounts have not been reflected in the financial statements for donated services. Donated services were not recorded due to the fact that the value of these services was not readily determinable. However, a substantial number of volunteers have donated significant amounts of their time in the fire company's program services.

2. INCOME TAXES:

The fire company was organized as a nonprofit corporation which has not elected tax exempt status.

The fire company has not filed a federal or state tax return for the tax years from the date of its incorporation (1981) through the year ended December 31, 1999. Failure to file tax returns could result in the assessment of penalties by the Internal Revenue Service and State of Louisiana. No provision has been made in the financial statements for such penalties.

3. NOTE PAYABLE:

On April 3, 1998 the fire company made a down payment of \$3,000 and entered into a security agreement for the purchase of a vehicle in the amount of \$21,062. The note which is secured by the vehicle includes an interest rate of 9.95% and requires forty-eight monthly payments of principal and interest in the amount of \$533.80.

Minimum future payments under the note payable are as follows for the years indicated:

<u>Years Ending December 31</u>	<u>Amount</u>
2000	\$ 5,323
2001	5,881
2002	<u>2,042</u>
	<u>\$13,246</u>

WKB VOLUNTEER FIRE COMPANY
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

3. NOTE PAYABLE: (Continued)

On February 13, 1996 the fire company entered into a security agreement for the purchase of a vending machine in the amount of \$4,610. The note which was secured by the vending machine included an interest rate of 9.75% and required thirty-six monthly payments of \$167. This note was paid off during 1998.

The statement of financial position classification is as follows:

	<u>1999</u>	<u>1998</u>
Current portion of note payable	\$ 5,323	\$ 4,824
Long term portion of note payable	<u>7,923</u>	<u>13,246</u>
	<u>\$13,246</u>	<u>\$18,070</u>

4. CAPITAL LEASES PAYABLE:

On April 9, 1997, the fire company entered into a capital lease to purchase fitness equipment in the amount of \$12,000. The asset and liability under this capital lease are recorded at the present value of the minimum lease payments.

Minimum future lease payments under this lease are as follows:

<u>Years Ending December 31</u>	<u>Amount</u>
2000	\$ <u>735</u>
Total minimum lease payments	735
Less amount representing interest	<u>18</u>
Capital lease payable	<u>\$ 717</u>

On June 2, 1997, the fire company entered into a capital lease to purchase a riding lawn mower in the amount of \$10,428. The asset and liability under this capital lease are recorded at the present value of the minimum lease payments.

Minimum future lease payments under this lease are as follows:

<u>Years Ending December 31</u>	<u>Amount</u>
2000	\$ <u>2,290</u>
Total minimum lease payments	2,290
Less amount representing interest	<u>72</u>
Capital lease payable	<u>\$ 2,218</u>

On February 8, 1996, the fire company entered into a capital lease to purchase an ice machine in the amount of \$4,267. The asset and liability under this capital lease were recorded at the present value of the minimum lease payments. This lease was paid off during 1999.

WKB VOLUNTEER FIRE COMPANY
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

4. CAPITAL LEASES PAYABLE: (Continued)

The statement of financial position classification for all capital leases is as follows:

	<u>1998</u>	<u>1997</u>
Current portion of capital leases payable	\$2,935	\$ 7,696
Long term portion of capital leases payable	<u> --</u>	<u> 2,935</u>
	<u>\$2,935</u>	<u>\$10,631</u>

5. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

6. AMOUNT HELD IN ESCROW:

During 1997, Jefferson Parish authorized the fire company to sell a fire truck owned by the parish. The proceeds of the sale in the amount of \$27,501 were required to be held in escrow and were restricted for the payment of the note on a new fire truck which was purchased in 1998 and will be owned by the parish. The proceeds received by the fire company from the fire truck sold exceeded the first payment in 1998 on the note for the new fire truck by \$6,460, which was recorded as restricted cash and as a current liability by the fire company as of December 31, 1998, held in escrow for Jefferson Parish. The fire company received \$20,000 during 1999 for the second payment on the note. The fire company paid \$20,520 for the second payment and reduced the amount held in escrow by \$520, resulting in restricted cash and a current liability recorded in the financial statements in the amount of \$5,940.

7. LITIGATION:

The WKB Volunteer Fire Company is a defendant in a lawsuit. Their attorney has reviewed this claim and lawsuit, which is in its early stages, in order to evaluate the likelihood of an unfavorable outcome to the fire company and to arrive at an estimate, if any, of the amount or range of potential loss. As a result of such review, the various claims and lawsuits have been categorized into "probable," "reasonably possible," and "remote" contingencies, as defined in FASB No. 5 for claims and judgments. There were no loss contingencies categorized as "probable" for December 31, 1999 and 1998. The fire company's "reasonably possible" loss contingencies at December 31, 1999 and 1998 for which an amount of liability can be estimated, were \$7,000 and \$7,000, respectively.

WKB VOLUNTEER FIRE COMPANY
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 1999

February 22, 2000

To the Board of Directors
WKB Volunteer Fire Company

We have audited the financial statements of WKB Volunteer Fire Company (a Louisiana nonprofit organization) as of and for the year ended December 31, 1999, and have issued our report thereon dated February 22, 2000.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the WKB Volunteer Fire Company financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance reported in the following paragraphs.

As noted in the previous year, the fire company has no subsidiary record of its property and equipment to substantiate the cost basis. We recommend the fire company perform an "inventory" of all capitalizable assets. A subsidiary schedule should be maintained reflecting the historical cost of the assets and related accumulated depreciation.

Also as noted in the previous year, the fire company has not filed for exempt status as a nonprofit organization with the Internal Revenue Service. In addition, the fire company has not filed federal or state income tax returns since its inception in 1981 through the year ended December 31, 1999. We recommend the fire company file for exempt status with the Internal Revenue Service and file all tax returns required by the Internal Revenue Service and State of Louisiana.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the WKB Volunteer Fire Company's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have noted in the following paragraphs.

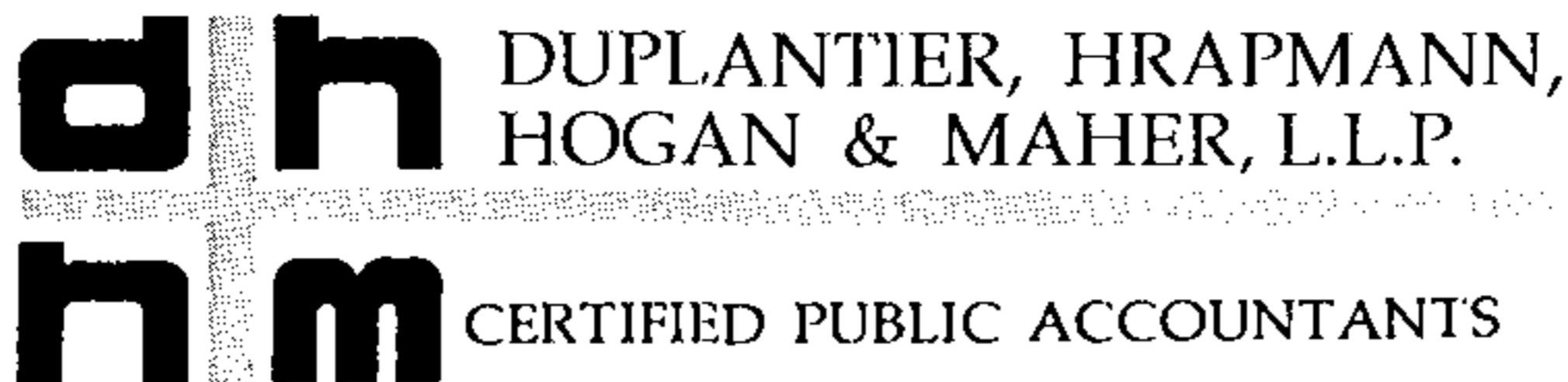
As noted in previous years, the fire company does not maintain a subsidiary listing of property and equipment to substantiate the cost basis. The fire company should perform an inventory of all capitalizable assets. A subsidiary schedule should be maintained reflecting the historical cost of the assets and related accumulated depreciation.

During 1998, we noted certain matters involving the internal control and its operation which were subsequently corrected. The items are mentioned in the following paragraph:

In the previous year we noted the fire company did not document approval of employees' salaries in their personnel files or in the Board of Directors' minutes.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization and applicable parish, state or federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Duplantier, Hapmann, Hogan & Maher LLP



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KENNETH J. BROOKS, C.P.A., ASSOCIATE

A. J. DUPLANTIER, JR., C.P.A.
(1919-1985)
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., C.P.A.
(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA. C.P.A.'S

February 22, 2000

Legislative Auditor
Engagement Processing
Post Office Box 94397
Baton Rouge, Louisiana 70804

Dear Sir or Madam:

SCHEDULES AND DATA COLLECTION FORM
SECTION 1: SUMMARY OF AUDITOR'S REPORTS

A. FINANCIAL STATEMENT AUDIT OPINION:

We have audited the financial statements of WKB Volunteer Fire Company as of and for the year ended December 31, 1999 and have issued our report thereon dated February 22, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit as of December 31, 1999 resulted in an unqualified opinion.

B. REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL STATEMENTS:

Internal Control:

Material weaknesses -- none noted
Reportable conditions -- none noted

Compliance:

Noncompliance material to financial statements - none noted

SECTION 2: FINANCIAL STATEMENT FINDINGS

A. CURRENT YEAR FINDINGS:

99-01 - Property, Plant and Equipment:

As noted in the prior years (See 98-02), the Fire Company does not have a subsidiary listing of property and equipment to substantiate the cost basis.

Response:

The Board is working closely with their independent CPA firm to develop a subsidiary listing of property, plant and equipment.

99-02 - Tax Status:

As noted in prior years (See 98-03), the Fire Company has not filed for tax exempt status as a nonprofit organization with the Internal Revenue Service, nor has it filed any federal or state income tax returns since its inception in 1981 through December 31, 1999.

Response:

The Board has engaged their independent CPA firm to file all necessary documents with the Internal Revenue Service and apply for exempt organization status and file all necessary tax returns.

B. PRIOR YEAR FINDINGS (OTHER MATTERS):

98-01 - Employees' Salaries:

As noted in the prior year, there was no documented approval in employees' personnel files or Board of Directors' minutes to verify employees' salaries. This was corrected during the current year.

98-02 - Property, Plant and Equipment:

As noted in the prior year, the Fire Company does not have a subsidiary listing of property and equipment to substantiate the cost basis. This has not been corrected in the current year (See 99-01).

98-03 - Tax Status:

As noted in the prior year, the Fire Company has not filed for tax exempt status as a nonprofit organization with the Internal Revenue Service, nor has it filed any federal or state income tax returns since its inception in 1981 through December 31, 1998. This has not been corrected in the current year (See 99-02).

Duplantier, Hrapmann, Hogan & Maher LLP



SHERMAN TAYLOR
PRESIDENT

W.K.B. VOLUNTEER FIRE COMPANY

4040 Highway 90 West
Avondale, Louisiana 70094
(504) 349-5576

JUAN SHELBY
CHIEF

March 1, 2000

Legislative Auditor
Baton Rouge, Louisiana 70804

Dear Sir or Madam:

SCHEDULE OF PRIOR YEAR FINDINGS

A. FINANCIAL STATEMENT AUDIT OPINION

Our auditors, Duplantier, Hrapmann, Hogan & Maher, LLP, have audited the financial statements of W.K.B. Volunteer Fire Company as of and for the year ended December 31, 1999 and have issued their report thereon dated February 22, 2000. They conducted their audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Their audit as of December 31, 1999 resulted in an unqualified opinion.

B. REPORT ON INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

INTERNAL CONTROL FINDINGS:

Reportable conditions considered to be material weaknesses:

98-01 - Employees' Salaries:

We were unable to verify employees' salaries because there was no documented approval in employees' personnel files or in the Board of Director's minutes. This finding was corrected during 1999.

C. OTHER MATTERS:

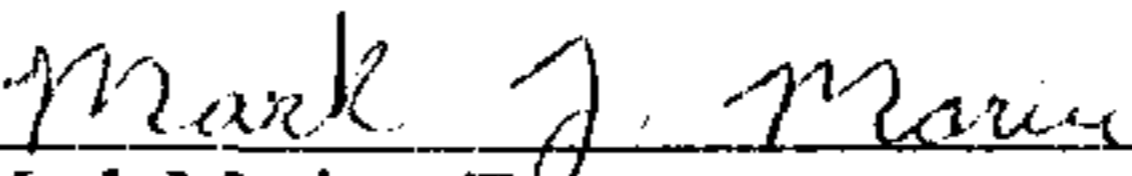
Immaterial instances of noncompliance and other matters involving internal control over financial reporting.

98-02 - Property, Plant and Equipment:

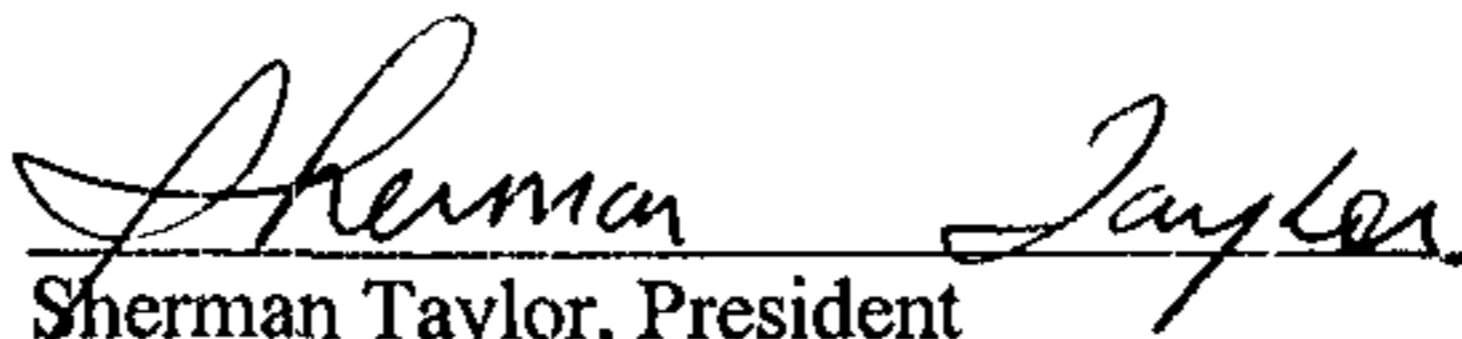
The Fire Company does not have a subsidiary listing of property and equipment to substantiate the cost basis. This finding is repeated in 1999. The Board is working closely with their independent CPA firm to develop a subsidiary listing of property, plant and equipment.

98-03 - Tax Status:

The Fire Company has not filed for tax exempt status as a nonprofit organization with the Internal Revenue Service, nor has it filed any federal or state income tax returns since its inception in 1981 through December 31, 1999. This finding is repeated in 1999. The Board has engaged their independent CPA firm to file all necessary documents with the Internal Revenue Service and apply for exempt organization status and file all necessary tax returns.



Mark Marine, Treasurer



Sherman Taylor, President